GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3865
ANSWERED ON:17.08.2001
SOILED NOTES
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Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is facing problem in disposing off soiled notes of smaller denomination;

(b) if so, the surplus stock of soiled notes in comparison to normal capacity in various branches for disposing off such notes;

(c) the steps proposed to be taken for short-term and long-term solution to this problem ; and

(d) the present status of the projects recommended for secured printing of such notes and the project-wise details regarding the progress of the projects till now?

Answer

Minister of State in the Ministry of Finance (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) The number of soiled notes withdrawn by the Issue Office of ReserveBank of India (RBI) has increased significantly during the last few years from 4472 million pieces during fiscal year 1998-99 to 6550 million pieces during fiscal year 2000-01 (upto May, 2001) as against its capacity to dispose of about 4600 million pieces of soiled notes each year. This has resulted in accumulation of soiled notes at the Issue office of RBI and at currency chests maintained at public sector banks allover the country. As on 31.5.2001, the Issue Offices of the RBI and the currencychests had an accumulated stocks of 2824 million pieces and 3306 million pieces of soiled notes respectively.

(c) The RBI has taken the following steps for increasing the capacity to dispose of the withdrawn soiled notes :

(i) Daily quota for processing and disposal of soiled notes by the staff has been increased .

(ii) A decision has been taken to install Currency Verification & Processing Systems (CVPS) at Regional Offices for mechanised processing of soiled notes. 22 CVPS are expected to be installed at 6 (six) Regional Offices of the RBI by June, 2002 .

(iii) Installation of Shredding and Briquetting System at Regional Offices for destruction of soiled notes in eco-friendly manner.

d) Secured printing of bank notes is at present, done at, Currency Note Press,Nashik ; Bank Note Press, Dewas ;Bhartiya Reserve Bank Note Mudran Ltd. atSalboni (West Bengal) and at Mysore (Karnataka).No additional project has been recommended for secured printing of bank notes.